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FINAL STATUS PROGRAM REPORT

*YMCA SMALL ENTERPRISE DEVELOPMENT AND JOB
OPPORTUNITIES IN THE
WEST BANK AND GAZA*

YMCA - EXTENSION SERVICES UNIT

U S A I D COOPERATIVE AGREEMENT No 294-0016-a-00-5617-00
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Submitted by

YMCA of the USA
International Division

East Jerusalem YMCA

To

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YMCA - EXTENSION SERVICES UNIT FINAL STATUS REPORT

I. Executive Summary

The YMCA Vocational Extension Services Unit (ESU) was initiated in October 1995 as a continuation and expansion of the employment, training and self-employment services of the East Jerusalem YMCA in cooperation with the YMCA of the USA, International Division. This project was implemented under the Cooperative Agreement No. 294-0016-a-00-5617-00 with the *goal of stimulating long-term self-sustaining jobs and micro enterprise development in the vocational industrial sector of the West Bank and Gaza*. The cooperative agreement was extended to cover the period from October 1, 1998 to March 31, 1999.

This report is the Final Status Report on the YMCA ESU project for the full project period from October 1995 to March 31, 1999. As such, the report covers both the major actions completed during the last six months of project operations, as well as a detailed account of the comprehensive outputs and achievements of the program over a three and a half year period and lessons learned during project implementation.

Focusing on increasing the employment and self-employment of vocational graduates in the West Bank and Gaza, the YMCA ESU program offers a variety of training services from Training Within Industry to Management Training and Small Business Development assistance through its Machinery Rental Program to hundreds of vocational graduates each year.

For this Final Status Report, more detailed data has been collected on the program impact on beneficiaries after receiving services in terms of employment status, income levels, and training impact. The following are the major findings and achievements of the ESU during 1995-1999:

- * 96% of ESU beneficiaries are employed or self-employed
- * 79% of ESU beneficiaries are employed in their field of training
- * 605 of ESU beneficiaries are self-employed
- * 110% increase in overall income levels of ESU beneficiaries after receiving training services
- * Self-employed vocational graduates earn 64% more income than graduates do working as employees
- * 84% of small businesses started with Machinery Rental Assistance are still successfully operating

II. Project Purpose and Expected Outputs

A Project Rationale

The YMCA Vocational Extension Services Unit (ESU) was initiated in April 1995 in cooperation with U S A I D under Cooperative Agreement No 294-0016-a-00-5617-00 with the goal of increasing the employment and self-employment of graduates of vocational training centers and industrial schools in the West Bank and Gaza

The YMCA Extension Services Unit was developed as a program effort by the indigenous Palestinian East Jerusalem YMCA in cooperation with the YMCA of the USA, International Division The YMCA of the USA and the East Jerusalem YMCA work in a partnership model of cooperation which is designed to both entrench the program experience and direction of the Extension Services Unit at the local level, and to ensure that the U S A I D funded project generates institutional development benefits for the local implementing YMCA The YMCA Vocational Extension Services project was built upon the extensive experience of the East Jerusalem YMCA in the field of vocational training in the West Bank since 1952

The need for this project was determined by a study conducted by the East Jerusalem YMCA on the status of vocational graduates in the West Bank The study demonstrated that these graduates encountered serious difficulties in finding jobs or starting their own small businesses after their training, resulting in a relatively high unemployment rate among new graduates The results of the YMCA tracer study of 1992 vocational graduates at project inception indicated that only 26% of vocational graduates had found proper employment and were working in their field of skilled training Furthermore, the unemployment rates of vocational graduates varied widely by region, with vocational graduates in Hebron 71% unemployed compared to 18% in Jerusalem Within a macroeconomic situation of high unemployment in the West Bank and Gaza, particularly among the 17-30 year old age group, the YMCA identified a targeted market niche where it was possible to provide effective services to enhance employment and self-employment for the target group

The reasons for the difficulties which vocational graduates faced in finding proper employment were varied, and included the following 1) limited employment opportunities in the local economy, 2) inadequate and/or outdated training offered within the vocational educational system which is not linked to the needs of the local market, 3) lack of access to financial resources and management skills for vocational graduates willing to start their own businesses, 4) the graduates' inexperience in introducing themselves into the local industrial network, making professional contacts in their field of training and gaining access to job opportunities, and 5) the lack of willingness of local industries and workshops to hire fresh graduates without experience But most importantly, these difficulties could be attributed to the lack of adequate follow-up and support after training and graduation for these vocational graduates, as only limited efforts were made to provide training follow-up

This Final Status report will provide a summary of project activities during the last six months of project implementation, and a more detailed explanation of project activities, final outputs and their overall impact during the full project period

B Project Goal

The YMCA, in order to address these difficulties for vocational graduates, designed the Vocational Extension Services Unit as an Outreach Program to serve the needs of vocational graduates in a comprehensive and effective manner, relying on the cooperation and contribution of the vocational schools and local industries throughout the West Bank and Gaza. The project was designed from the beginning to address the needs of a specified target group -- vocational graduates. This target group is constituted annually of the current and previous graduates of 18 long-term vocational training institutions in the West Bank and Gaza. As such, the program addresses the follow-up employment and self-employment training and assistance needs of the target group in a comprehensive fashion, which is beyond the capability of any one vocational training institution to address.

It was determined at project outset that the best way to meet the employment needs of vocational graduates would be to *rely on the resources of the local market at the grassroots level*, to provide training, professional contacts, shared experience and employment opportunities, and to encourage self-employment enterprises for motivated and qualified graduates to open their own businesses and workshops.

III Major Actions Completed in the Last Six Months of Project

A The West Bank

- One hundred and eighty-five (185) vocational graduates placed in TWI training positions
- Forty-eight (48) businesses received credit assistance two of which were started by females, through the assistance of the YMCA Machinery Rental Program
- One hundred and eighty (180) vocational students and instructors participated in two Industrial Excursions to see factory, equipment and work conditions in the West Bank
- Completion of eight Management Training Courses with 138 graduates obtaining the basic management skills necessary to manage small businesses
- Completion of one specialized short-term course with the participation of 15 garage owners

- Completion of the Final Backtracer Study of a random sample of all primary beneficiaries of the ESU project to determine current status of graduates and project impact

B Gaza Strip

- Eighty (80) new graduates were placed for Practical Training within Industry during this SAR period
- Four Management Training Course were completed with 66 vocational graduates completing the course
- Fourty-five (45) business owners received financial assistance throught the Machinery Program Four of these are females
- Two Industrial Excursions were held for final year students Fifty-eight students were exposed to local market and production conditions in their field of work in Gaza
- Two Specialized Short-term courses were completed with a total participation of 28 One of these courses was on trico and totally targeted to women with a successful participation of 11 The second course was on Wood Lathe with a total participation of 17 carpenters

IV Major Project Activities: Final Status and Outputs

The overall project achievements of the YMCA Extension Services Unit during 1995-1999 are a product of an integrated package of training and support services offered to vocational graduates in the West Bank and Gaza As such, it is necessary to look in more detail at the specific project activities and accomplishments during the project period, their impact and the beneficiaries' evaluation of the training and services they received

The YMCA Extension Services Unit's range of work covers the entire regions of the West Bank and Gaza, with a current staff of 14 persons, 10 in the West Bank and 4 in Gaza The ESU is divided into two departments the Department of Enhancing Job Opportunities (EJO) and the Department of Small Enterprise Development The small staff of the Extension Services Unit is maximized by focusing on field-based work and follow-up on individual vocational graduates, and the implementation of training in cooperation with local industries and training centers The ESU provides its services to the graduates of cooperating industrial schools and vocational centers in the West Bank and Gaza, which include the following

The West Bank

- 1 The East Jerusalem YMCA VTC/Jericho
- 2 Al-Bir Society for the Care of Martyrs' Sons VTC/Jericho
- 3 Arab Development Project VTC/Jericho

- 4 Arab Orphans Committee Industrial School/Jerusalem
- 5 Orphans House Industrial School/Jerusalem
- 6 Salezian Brothers Industrial School/Bethlehem
- 7 Lutheran Union Industrial School/Jerusalem
- 8 UN VTC at Qalandia/Jerusalem
- 9 Abdullah Ibn Al-Hussein Industrial School/Jerusalem
- 10 Dir Debwan Industrial School/Ramallah
- 11 Nablus Industrial School/Nablus
- 12 Tulkarem Industrial School/Tulkarem
- 13 Seelat Al-Thaher Industrial School/Jenin
- 14 Hebron Industrial School/Hebron
- 15 Nablus Training Center
- 16 Jenin Training Center
- 17 Hebron Training Center
- 18 Tulkarem Training Center

Gaza

- 1 UN Gaza Training Center/Gaza City
- 2 Middle East Council of Churches VTC/Gaza City
- 3 Science and Technology College/Khan Younis
- 4 Applied Engineering Institute/Gaza City
- 5 Al Imam Al Shafe'i Training center

The vocational fields which the YMCA Extension Services Unit concentrates on for employment and self-employment are determined by the fields of training which the vocational graduates receive at the above training centers, and include the following

- 1- Metal Works
- 2- Auto Mechanics
- 3- Auto Body and Repair
- 4- Car Electricity
- 5- General Electricity
- 6- Carpentry
- 7- Aluminum casting and fabrication
- 8- Lathe, Milling and machining
- 9- Industrial Electronics
- 10- Office Equipment and Maintenance
- 11- Radio and TV Repair
- 12- Upholstery and Interior Decoration
- 13- Agricultural Mechanics
- 14- Sanitary and Central Heating
- 15- Refrigeration and Air-Conditioning

The ESU does not find jobs for graduates as a traditional employment agency model, rather it works on enhancing the abilities of the graduates themselves to find the proper employment in their learned vocation on their own. In the program services detailed below, the goal is to enhance the opportunities for graduates to become employed or self-employed through training, networking in the local market and small business development assistance. With the prevailing difficult economic situation in

the West Bank and Gaza, where a large percentage of young adults are unemployed, the YMCA advocates self-development and self-reliance rather than a promise of a temporary or subsidized job

A The Department of Enhancing Job Opportunities (EJO)

The EJO concentrates on providing services to the graduates that enhance their prospects of finding proper employment in the vocation they learnt. The majority of vocational graduates will not have the resources or initiative to become self-employed. Thus the EJO delivers training and services designed to facilitate the employment of vocational graduates in their learned vocation in order to enhance their future economic development, rather than be limited to employment in temporary or unskilled work, often in the Israeli market. Furthermore, the EJO organizes activities aimed at strengthening and creating ties between the vocational education sector and the industrial sector and raising the public's awareness in general about the economic potential of this sector.

Summary of EJO Department Activities

- **Training-Within-Industry (TWI)** for the graduates and final-year students of the vocational institutions, whereby the EJO places the graduates in small to medium scale shops and businesses for periods that depend on each graduate's needs. By placing the graduates in these businesses, and providing continuous individual follow-up, the EJO aims to improve the technical and market skills of those graduates and introduce them to the requirements of the local industries that will increase their self-confidence and, in the long run, help them find proper employment. The EJO has managed so far to build a strong and diversified network of cooperative businesses and shops totaling over 600 throughout the West Bank and Gaza that have offered TWI opportunities to the YMCA beneficiaries free-of-charge. To date, 2,378 vocational graduates and students have successfully completed TWI training period in the local market. For a complete analysis of TWI impact, please see below.
- **Industrial Excursions** These activities are aimed at establishing and solidifying the relationships between the vocational institutions and the industrial sector. *Industrial Excursions* provide the opportunity for vocational students and their instructors to visit successful administrative and management issues critical to their success in the industrial market. At project completion, 14 Excursions have been held throughout the West Bank and Gaza, with the participation of 20 vocational schools, hundreds of local industrialists, with an overall participation rate of some 917 students, instructors and businessmen in these activities.
- **Specialized Short-Term Technical Courses** The EJO staff, working with and monitoring the progress of the TWI beneficiaries on their regular follow-up visits, came to realize that there is a labor market demand for certain skills and traits that are not offered by most of the schools and centers and which are needed in the local market. The EJO looks for people who possess such rare technical skills and work together with them on starting short intensive courses for interested graduates. Examples of courses offered under this activity include industrial casting and

molding, mechanized motor testing equipment, refrigeration unit assembly, repair and diagnostic of fuel injection engines and others. The courses are of short duration, and are implemented in cooperation with local industries or schools, which have the technical skills and necessary equipment to provide the training. Participants in the courses include both vocational graduates and workshop owners interested in up-grading their skills in the specified area. A total of 29 courses were accomplished with 395 participants completed specialized training in these courses.

- **Annual Tracer Studies** This is one of the most important activities of the EJO. There are two major reasons for these studies: first, they provide the ESU with new information about the state of the vocational field in terms of distribution of vocations and geographical concentration of the graduates to help the staff plan in advance how to deal with changing trends in the field. Second, they serve to introduce fresh graduates to the ESU and its many services that they may take advantage of. The ESU started with a target of 25% of the total population of the year's graduates to be reached and today, this target is set at 40-45% in both the West Bank and Gaza.

Training Within Industry Results and Accomplishments

TWI was designed by the YMCA to provide vocational graduates with the opportunity to practice what they learned in order to increase their abilities of finding proper employment in their learned vocations. By placing graduates in practical training in their local labor market, TWI emphasizes upon the graduates the importance of investing in their future by participating for several months in the process of skills upgrading and familiarizing themselves with the realities and requirements of the industrial sector. Dealing with customers, knowing where to get the most affordable raw material, learning how to market products by themselves and how to establish essential new contacts in their profession are but few of the benefits the graduates gain from TWI, in addition to developing their technical skills in their vocations.

To provide TWI, the ESU utilizes a network of cooperating workshops and factories throughout the West Bank and Gaza in all vocational fields. These workshop owners provide TWI training free-of-charge to the YMCA ESU program, and approximately 40% of the workshops also contribute financially to the graduate by paying a small stipend during training from their own resources.

Through weekly follow-up visits, the EJO field worker discusses with the shop owner the progress of the trainee in the vocation and upon the joint assessment, the trainee is awarded a Certificate of Experience signed by the ESU and the shop owner documenting the practical skills and experience the graduate has obtained and is proficient in. If the graduate has not already found employment by the end of his training either in the workshop where trained, or through contacts made during TWI, the certificate assists the graduate in finding proper employment at another factory or workshop.

The average period of TWI according to learned vocation is demonstrated in the following table:

Table Average Period of TWI According to Learned Vocation

Average period of TWI(in months)	LEARNED VOCATION
2 8	Aluminum Casting and Fabrication
2 8	Auto Body and Repair
4 6	Auto Mechanics
4 0	Blacksmith and Metal Works
3 9	Car Electricity
4 8	Carpentry
6 3	General Electricity
3 3	Industrial Electronics
9 0	Lathe, Milling and Machining
8 0	Office Equipment and Maintenance
5 7	Radio and TV Repair
3 6	Refrigeration and Air Conditioning
5 0	Sanitary and Central Heating
6 0	Upholstery and Interior Decoration
4 65 Months	Overall

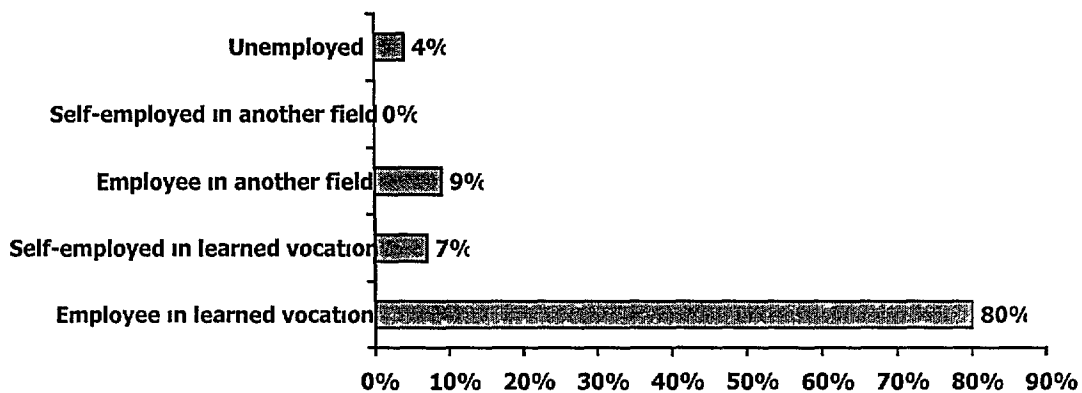
At the end of project status, the EJO Department has graduated 2,357 vocational graduates and students who have completed their TWI period successfully throughout all regions of the West Bank and Gaza

**TWI Graduates by Region
1995-1999**

Region	TWI Graduates
West Bank/North	438
West Bank/Center	431
West Bank/South	392
Gaza	770
Subtotal	2031
Student TWI Grads	326
TOTAL	2,357

The following graph demonstrates the general estimated employment status of vocational graduates who only received TWI according to the results of the April 1999 Backtracer Study End of Project Status

Graph Employment Status of Graduates who only participated in TWI

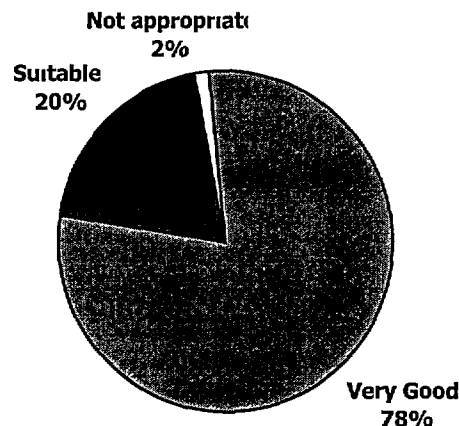


Thus 96% of the TWI graduates sampled and surveyed are employed. Of these, 54% of the TWI graduates were employed at the factory or workshop where they were trained. Prior to TWI, 40% of these beneficiaries had no work experience and had never been employed.

Participants Evaluation of TWI

As part of its program monitoring methodology, TWI participants are asked for their own evaluation of their training and the impact it had on their development. The following chart demonstrates the graduates' evaluation of the places of TWI where they trained.

Graph TWI Graduates Assessment of Training Places



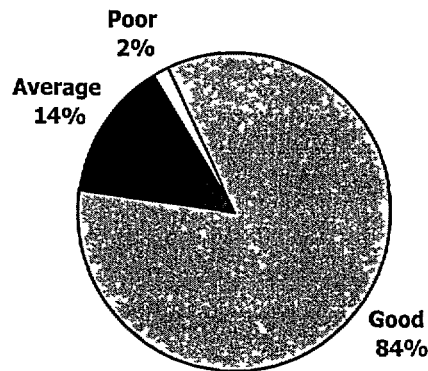
Furthermore, when asked whether the shop owners were interested in providing them with new skills, 91.7% gave positive answers. Non-technical, but business-related skills, which the graduates reported learning in TWI included how to deal with customers, how to work on location, how to speed up work, how to be competitive, and how to purchase raw materials.

Overall Quality of TWI

Providing sufficient time for training, selecting the most appropriate places and weekly follow-up visits to monitor the progress of the graduates are all intended to provide the graduates with the best practical training to help them find suitable

employment. The following chart shows the graduates' evaluation of the overall quality of TWI they received.

Graph TWI Graduates Evaluation of the Quality of TWI Training



Moreover, 98% of the TWI participants said they would advise new vocational graduates to participate in TWI.

TWI is intended to enrich the skills and abilities of vocational graduates through practical training under the supervision of experienced shop owners, who, like any other businessmen, aspire to improve and expand on their businesses. TWI has proven a valuable tool for those shop owners in their quest for expansion and development of their businesses. With TWI, shop owners acquired the tool to screen potential employees who most fit their developmental needs. Approximately 54% of TWI participants were employed at the place where they were trained.

The graduates were asked to give their opinions on how TWI could be improved. The following suggestions summarize their opinions:

- 47% said increase period of TWI,
- 36% said keep looking for better training places,
- 12% said increase follow-up visits by field staff, and
- 5% said nothing is needed to improve TWI.

In the vocational industrial field, expertise and accomplished skills are acquired through steady continuous work in one's vocation. Working in the vocation is itself a form of long-term training. TWI is intended to bring this message to the vocational graduates. TWI breaks the barrier of fear graduates have against the customer-oriented, industry-regulated demands of real working life. It is because of this process that the majority of graduates suggested increasing the period of TWI. However, the ESU, cognizant of the fact that TWI is a transition period towards proper employment, determines, along with shop owners who provide TWI, when a graduate is adequately trained and prepared to leave TWI and enter the working life.

TWI has proved to be a successful mechanism for increasing the percentage of employed vocational graduates in their field of training, putting them on the path toward future professional and socioeconomic development

Management Training Courses

The EJO offers small business management courses for vocational graduates who either already own their own workshops or who are seriously interested in starting their own businesses. The courses were offered in cooperation with and technical implementation of Bisan Research and Development Center. Basic business management concepts are covered in these courses: basic bookkeeping, accounts and finance, production management and quality control, general management, registration, taxation and labor laws, marketing and advertising. The curriculum includes emphasis on case-study analysis and field visits to successfully managed small businesses and workshops in the industrial sector. Special management courses have been offered for women wanting to start their own small enterprises and for vocational instructors of training institutions.

To date, 1,527 participants have completed the 92 Management Training Courses offered by the YMCA ESU throughout all regions of the West Bank and Gaza.

Management Training Results & Accomplishments

When the sample MTC graduates were asked what motivated them to join a MTC, their answers were:

- 51% said they hope to start their own new businesses,
- 27% said they wanted to improve on their existing businesses,
- 21% said they wanted to better manage the shops where they work, and
- 1% said the business owners where they work asked them to join a MTC

The same graduates, when asked in what direction they went after the MTC, replied:

- 51% -- shall pursue their goal of opening their own shops,
- 22% -- apply what they learned on improving their shops,
- 2% -- open own shops in another vocation,
- 22% -- look for better jobs in places other than where they worked, and
- 4% -- same as before the MTC

The MTC's are effective in achieving their intended purposes, which are to encourage new businesses and improve on existing ones. With the 51% who said they want to pursue their own shops, the ESU continues working on them with its machinery rental and other activities that target small business development.

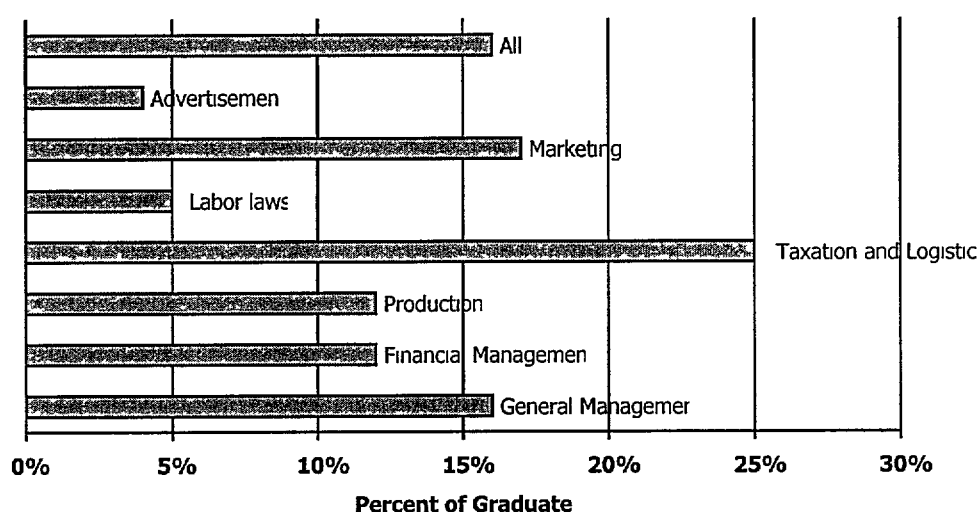
Of interest are the third and fourth replies. There are few situations where a vocational graduate, when taking into account factors like geographical location and the nature of his local market, opts for a change in his field to another that is compatible to his training but one with more promising opportunities for employment. 2% only.

Other graduates, whom the MTC enriches their knowledge in their vocations and open their eyes to their potential, acquire the self-confidence to look for better employment opportunities in their fields at other places, once they recognize that their status at the present places have little chance of improving. Thus 22% of the MTC graduates were encouraged to move in this direction.

Evaluation of the Content of Management Training Courses

MTC's offer a range of topics that target small business development. When the graduates were asked if they needed a more advanced management training, 86% (83 of the 96 MTC graduates surveyed) said yes. Their preferences on what topics to concentrate on were as follows:

Graph MTC Graduates' Preferences for More Concentration



In the coming project period no additional Management Training will be provided by the ESU, instead the YMCA sees it is possible to transfer potential participants to other local organizations providing similar management training services, especially now that this type of service is being provided by other institutions.

B Department of Small Business Development (SED)

The purpose of the ESU Small Enterprise Department is to assist vocational graduates in initiating and successfully managing their own small business for self-employment, thereby creating new jobs and businesses in the local market. The goal of the work of this department is to create long-term self-sustaining new jobs and businesses in the local economy, which benefit the most socio-economically deprived strata of the Palestinian population. In addition to these objectives, the department has expanded its work in the three year in two areas to offer its services to cooperating workshop owners who provide TWI placements for the program and who themselves want to improve or expand their existing small businesses. Moreover, the SED Department now provides credit services for raw material purchase purposes.

Machinery Rental Program

The Machinery Rental program is a unique activity devised by the YMCA to both facilitate the potential for small business development by vocational graduates, and at the same time to avoid some of the problems and failures associated with operating small loan programs in the region which did not meet the needs of the smallest micro-enterprises. A vocational graduate who has demonstrated practical experience in his field of training, with preference to those who have enrolled in or completed the YMCA Management Training Course is eligible to apply for assistance through the Machinery Rental Program.

The Machinery Rental Program provides machinery and equipment to vocational graduates who want to start their own business, and who have shown initiative in locating appropriate facilities and start-up materials for their business. The YMCA supplies the necessary tools, machinery and equipment to the vocational graduates, which constitutes the major capital costs of small business start-up. Payments are then scheduled to enable the graduate to successfully manage his/her business. The fund is operating on a revolving basis, with charges for returned checks and delay fees.

The Machinery Rental Program has proven to be an effective program mechanism for small business development through making the start-up production easily accessible for potential entrepreneurs, while minimizing the risk associated with starting a business or workshop. These are important factors when working with small business development with the lowest socio-economic groups without access to credit or other means of business support. An overall analysis of the population of machinery rental beneficiaries revealed that 60% of the beneficiaries come either from villages or refugee camps.

The types of small businesses which vocational graduates opened with the assistance of the Machinery Rental program were as follows:

- Automobile Electricity
- Auto-mechanics
- Automobile Paint & Body Repair
- Carpentry
- Aluminum Fabrication
- Radio & TV
- Sewing
- Upholstery
- Blacksmithing
- Stone Lathe
- Cast production
- Shoes production

With its low cost and its effective approach in assisting the graduates start their own businesses, the Machinery Rental Program proves to be an excellent alternative to the

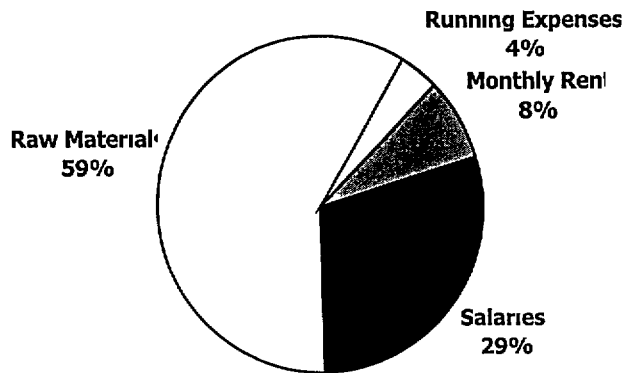
shortage of micro-enterprise development facilities of the 64 machinery rentees who were sampled in the 1999 Backtracer Study, 73% said they would have never opened their own businesses if it was not for the machinery rental assistance provided by the YMCA ESU program

The average amount of Machinery Rental Assistance for the period was \$4,380 per small business, with a range from \$1,500 to \$15,000. The average monthly payment for the rented equipment is approximately \$431, an affordable rate in the West Bank and Gaza.

The income levels of Machinery Rental beneficiaries increased substantially after ESU services. While 60% of the beneficiaries earned less than NIS 1500 or were unemployed before starting their own businesses, only 5% earned less than NIS 1500 after starting their own workshops. Forty percent (40%) reported income levels between NIS 1500-2000, 51% reported income levels between NIS2000-2500, and 9% reported income levels above NIS3000.

When asked about the overall operating costs of their small businesses, the graduates who opened their own shop through the machinery rental program indicated that their monthly operating costs were NIS 4000 per month. The total costs were divided into several factors as follows:

Graph Analysis of Operating Costs of Micro-enterprises



When asked what is their priority for improving and expanding on their businesses, the machinery rental beneficiaries responded as follows

- 40% buy more machinery
- 13% expand on the size of the shop
- 27% move to a better location
- 20% expand on the customer base
- 1% hire more workers

The Machinery Rental Program has shown excellent potential for success in the area of job creation through assisting the establishment of micro-enterprises by vocational graduates whom otherwise lack sufficient access to credit and capital resources. To date, of the 605 small business credits provided, an estimated number of 578 new jobs were created after providing the financial assistance to business owners in order to develop and/or start-up their enterprises.

V End of Project Status

A Final Status for Purpose Level Indicators Employment & Income Analysis

In order to measure project impact and effectiveness, the YMCA conducted a Backtracer Study of the primary project beneficiaries of the Extension Services Unit program. A random sample of 408 project beneficiaries in the West Bank and Gaza who had completed ESU services as of March 31, 1999 comprised the survey sample from a population of 1632 graduates who had received intensive training services in employment and/or self-employment. The survey was restricted to those graduates who had received intensive training and services ranging from three months to one year.

Using a table of random numbers and the database the ESU keeps on the graduates it traced and served, each of those 1632 primary graduates were given a random number. A target of 25% of those graduates is considered a scientifically acceptable representation of the whole population. Therefore, those with the numbers 1, 4 or 8 (which would produce the desired percentage) were chosen as the principal graduates to be surveyed. To make sure this number will be achieved, an alternative list was pulled of all the graduates with the number 5 assigned to them to serve as alternatives to principal graduates who may not be reached due to various reasons.

The ESU divides the West Bank and Gaza into four distinct regions: West Bank/North, West Bank/Center, West Bank/South and the Gaza region. The geographical distribution of all the graduates served and those surveyed was as follows:

Table: Geographical Distribution

Region	Sample	
WB-North	118	29%
WB-Center	98	24%
WB-South	82	20%
Gaza	110	27%
Total	408	100%

The general state of employment of the graduates

The survey found the general state of employment of the graduates at the present time to be as follows:

Table: Employment Status of Graduates Served by the ESU

Nature of Work	Number and Percent	
Employee in learned vocation	224	54.90%
Self-employed in learned vocation	152	37.25%
Employment in learned vocation	376	92.15%
Employee in another field	18	4.41%
Self-employed in another field	5	1.25%
Overall Employment	399	97.78%
Unemployed	9	2.20%
Total	408	100%

From the Table above, the overall rate of employment of the graduates served by the ESU at the present time throughout the West Bank and Gaza is 97.78%. The rate of employment in learned vocation (employed and self-employed) is 92.15%.

Also important is that almost 92% of the graduates are now either employed or self-employed in the vocation they learned, far exceeding the target rate set by the YMCA as a measurable output for the ESU October of 1995, and attesting to the ESU's

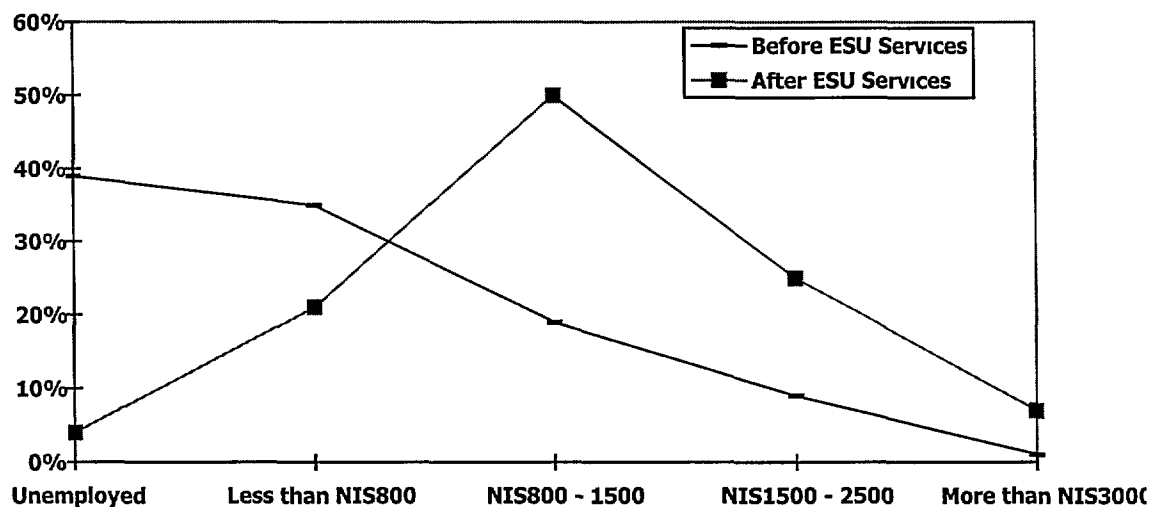
strategy of providing services designed not to find temporary jobs but rather working with the graduates on investing in the education they received for a better future

Economic Status of the Graduates

This study measured the impact of the ESU services on the income levels of the graduates served. Due to the graduates' sensitivity in stating exact income levels, they were asked to place themselves within specified income ranges before and after receiving ESU services.

The following graph demonstrates the change in income of the vocational graduates.

Graph: Change in Monthly Income Levels of Graduates Served



\$1.00 = NIS4.00

The chart above clearly demonstrates a sizable increase in the income levels of the graduates after receiving ESU services. By measuring the areas contained under each line, the overall income level of the surveyed graduates increased by approximately 55%. Moreover, the unemployment rate decreased significantly from 39% to 4%.

It should be mentioned here that it is difficult to get a sense of comparative income levels in the West Bank and Gaza, hence the income figures above are not fully comparable. Because of the difficult political situation prevailing in the West Bank and Gaza, accurate data on income levels was not available.

SED Program

The YMCA has disbursed a total of 871 loans since October 1995. The total value of the loans disbursed is \$4,187,065. The YMCA will continue to disburse loans over the long term as per the same policies and procedures since access to micro-credit is critical for the development of micro-enterprises in the West Bank and Gaza.

Lessons Learned by the YMCA ESU

- **Reliance on local resources** at the grassroots level in terms of cooperating workshops, factories and industries to provide job training free-of-charge has proven a cost-effective method of providing on-the-job training that leads to practical work experience and the ability of participants to become employed. In technical terms, this is not always the most technically advanced or even adequate training. However it is closely linked to the actual employment situation in the local market, and therefore provides training which does not raise expectations above what is practical and which is of use locally.
- **Follow-up opportunities** for practical training and linkages to the local market network are key services which vocational graduates need after their formal training in order to ensure their successful employment and future development. This feature is missing from most educational institutions.
- **Advances in technical training** are best addressed at the macro level held now by government ministries, in terms of upgrading and developing the training curriculums and equipment at local training centers in the West Bank and Gaza. Lacking this, only short-term technical training in highly specific areas is possible reaching relatively few beneficiaries, hence having impact on the individual rather than sectoral level.
- **Small Business Development** assistance for the poorest socioeconomic sector can be effectively delivered in terms of renting capital for business start-up rather than through loans, without financial guarantees and with less financial loss of the capital base, as demonstrated in the YMCA Machinery Rental Program. However, a long-term relationship with the beneficiary which includes both technical training and management training is essential to success.
- **Management Training** needs to be simplified and localized to the greatest extent possible in order to make it effective for the end-user. This is neither easy to achieve nor to monitor in effectiveness.
- **Continuous follow-up and a decentralized field work approach** has proven an effective way to ensure on-going relationships with beneficiaries and a high level of success for the YMCA. This approach must be compensated for at the management level by adequate tracking and monitoring mechanisms.
- **Significant gains in employment and permanent job creation** are possible in the medium-term through relying heavily on local resources and networks at less cost than short-term gains through temporary, subsidized job creation.